



**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 8**

1595 Wynkoop Street
DENVER, CO 80202-1129
Phone 800-227-8917
<http://www.epa.gov/region08>

Ref: 8ENF-AT

MAY 13 2014

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Barry Johnson, Facilities Engineer
Kodiak Oil & Gas (USA) Inc.
1625 Broadway Suite 250
Denver, CO 80202

Re: Section 114(a) Information Request for Kodiak Oil & Gas (USA) Inc.'s Oil and Natural Gas Well
Production Facilities on the Fort Berthold Indian Reservation

Dear Mr. Johnson:

As part of the August 14, 2013 annual report required by the Federal Implementation Plan for Oil and Natural Gas Well Production Facilities, Fort Berthold Indian Reservation (Mandan, Hidatsa, and Arikara Nation), North Dakota (FBIR FIP), which covers the compliance period of November 13, 2012 to December 31, 2012, Kodiak Oil & Gas (USA) Inc. (Kodiak or you) reported cases where construction or operation was not performed in accordance with the requirements of 40 C.F.R. §§ 49.4164, 49.4165, or 49.4166. The United States Environmental Protection Agency (EPA) hereby requires Kodiak to provide certain information to determine the Clean Air Act (CAA) compliance status of its oil and natural gas production facilities located on the Fort Berthold Indian Reservation in North Dakota.

Pursuant to section 114(a) of the CAA, 42 U.S.C. § 7414(a), the Administrator of the EPA is authorized to require any person who owns or operates an emissions source to establish and maintain records, make reports, sample emissions (in accordance with the procedures and methods that the Administrator shall prescribe) and provide such other information as she may reasonably require for the purposes of determining whether such person is in violation of any provision of the CAA. For the EPA to determine whether a violation of the CAA has occurred, you are hereby required, pursuant to section 114 of the CAA, to provide responses to the following request for information regarding the facilities listed above. Accordingly, within thirty (30) calendar days from receipt of this request, you must respond to this request. Instructions and definitions are provided in Enclosure 1 and the information being requested is contained within Enclosure 2.

You are required to attach a properly executed Statement of Certification (Enclosure 3) to your response to this request. The statement must be signed and dated. This statement certifies that the response

submitted to the EPA is true, correct, accurate, and complete; and that the response contains all documents and information responsive to this request that are known to you, following a complete and thorough review of all information and sources available to you. You are under an obligation to preserve all documents requested in this letter until you receive further instructions from the EPA.

Failure to provide the required information may result in the initiation of a civil action pursuant to section 113(b) of the Act, 42 U.S.C. § 7413(b). In addition, knowingly providing false information in response to this information request may be actionable under section 113(c) of the Act, 42 U.S.C. § 7413(c), and 18 U.S.C. §§ 1001 and 1341. The information you provide may be used by the EPA in administrative, civil, and criminal proceedings.

Under section 114(c) of the Act, 42 U.S.C. § 7414(c), and pursuant to regulations at 40 C.F.R. Part 2, including 40 C.F.R. § 2.301, you are entitled to claim as confidential any information you provide to the EPA which involves trade secrets and is regarded as confidential business information by you. For such information, you may request that the EPA treat such information as confidential. Any such claim for confidentiality must conform to the requirements of 40 C.F.R. § 2.203(b). Note that emissions information is not considered confidential under section 114(c). For detailed instructions, please see Enclosure 4 to this letter. Information you supply will be treated as confidential business information to the degree determined to be appropriate according to the regulations. If you fail to furnish a business confidentiality claim with your response to this information request, the EPA will construe your failure as a waiver of that claim, and the information may be made available to the public without further notice to you.

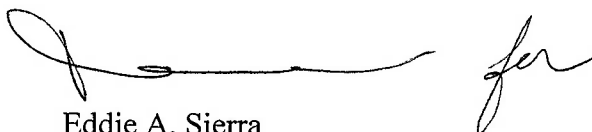
YOU MUST SUBMIT ALL RESPONSIVE INFORMATION: *Whether or not you make a claim of confidentiality.*

Please submit your response to this request to:

U.S. Environmental Protection Agency, Region 8
Technical Enforcement Program
Office of Enforcement, Compliance and Environmental Justice
1595 Wynkoop Street
Denver, Colorado 80202-1129
Attention: Hans Buenning

If you have any questions regarding this information request, please contact Hans Buenning, at 303-312-6486, or your counsel may contact Sheldon Muller, at 303-312-6916.

Sincerely,

A handwritten signature in black ink, appearing to read "Eddie A. Sierra". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Eddie A. Sierra
Acting Assistant Regional Administrator
Office of Enforcement, Compliance and
Environmental Justice

Enclosures

cc: Carson Hood, Acting Administrator, MHA Energy Division
Martina Turner, Regulatory Affairs Officer, MHA Energy Division
Edmund Baker, Environmental Director, MHA Nation
Sheldon Muller, EPA- Region 8
Hans Buenning, EPA-Region 8
Alexis North, EPA-Region 8

ENCLOSURE 1:

A. INSTRUCTIONS

1. Provide a separate narrative response to each question and subpart set forth in the Information Request.
2. Precede each answer with the number of the question to which it corresponds and at the end of each answer identify the person(s) that provided information that was used or considered in responding to that question, as well as each person that was consulted in the preparation of that response.
3. Indicate on each document produced in response to this Information Request, or in some other reasonable manner, the number of the question to which it corresponds.
4. When a response is provided in the form of a number, specify the units of measure of the number in a precise manner.
5. Where documents or information necessary for a response are neither in your possession nor available to you, indicate in your response why such documents or information are not available or in your possession and identify any source that either possesses or is likely to possess such documents or information.

B. DEFINITIONS

All terms used in this information request will have their ordinary meaning unless such terms are defined in the Act, 42 U.S.C. § 7401, 40 C.F.R. Part 49 and other CAA implementing regulations.

ENCLOSURE 2:

INFORMATION REQUESTED:

Using the instructions and definitions set forth in Enclosure 1, provide the following information within thirty (30) calendar days from the date of this request unless otherwise specified.

1. Regarding 40 C.F.R. § 49.4164(d)(1)(ii), Kodiak stated in its annual report that “not all well pads had control devices capable of reducing mass content VOC by 98% during the reporting period.” Please provide the following information:
 - a) Provide a list of all Kodiak’s wells subject to the FBIR FIP. The list shall include, in addition to the information outlined under 1.b, 1.c, and 1.d below, the well name, the well location, and the date of first production from the well.
 - b) Of those wells listed in 1.a above, identify each well that was not tied into a gas gathering system after August 3, 2012 or within ninety days of the first date of production, whichever is later. For each well identified in 1.b that is now tied into the gas gathering system, list the date that the well was tied into the gas gathering system.
 - c) Of those wells listed in 1.b above, identify each well that was not equipped with a utility flare or equivalent combustion device capable of reducing the mass content of VOC in the produced natural gas vented to the device by at least 98.0 percent or greater after August 3, 2012 or within ninety days of the first date of production, whichever is later. For each well identified in 1.c that is now equipped with a utility flare or equivalent combustion device, list the date that well was equipped with such a device and describe the type of combustion device.
 - d) For each well listed in 1.c above that is not now equipped with a utility flare or equivalent combustion device, identify any planned changes for that well in regard to meeting the requirement of 40 C.F.R. § 49.4164(d)(1).
2. Regarding 40 C.F.R. § 49.4164(d)(2)(ii), Kodiak stated in its annual report that “not all well pads had control devices capable of reducing mass content VOC by 98% during the reporting period.” Please provide the following information:
 - a) Of those wells listed in 1.b above, identify each well that was not equipped with a utility flare or equivalent combustion device capable of reducing the mass content of VOC in the standing, working, breathing, and flashing losses from the produced oil storage tanks and any produced water storage tank interconnected with the produced oil storage tanks by at least 98.0 percent or greater after August 3, 2012 or within ninety days of the first date of production, whichever is later. For each well identified in 2.a that is now equipped with a utility flare or equivalent combustion device for the control of produced oil and produced water tank emissions, list the date that the well was equipped with such a device and describe the type of combustion device.

- b) For each well listed in 2.a that is not now equipped with a utility flare or equivalent combustion device, identify any planned changes for that well in regard to meeting the requirement of § 49.4164(d)(2).
3. Regarding 40 C.F.R. §§ 49.4165(c)(6)(v), 49.4166(g)(1) and 49.4167(a)(5)(ii), Kodiak stated in its annual report that utility flares were equipped with thermocouples capable of continuously detecting and recording the presence of a pilot flame, but “it has not been verified if the data collected during the reporting period is still available.” Please provide the following information:
 - a) Provide a list of all well sites where the utility flare or enclosed combustor used to comply with the FBIR FIP was not equipped with a monitoring system for continuous recording of parameters that indicate proper operation of each enclosed combustor, utility flare, continuous burning pilot flame, and electronically controlled automatic igniter. The list shall include, in addition to the information outlined under 3.b, 3.c, and 3.d below, the well name, the well location, and the date of first production from the well.
 - b) For each well listed in 3.a above, identify the time period from November 13, 2012 to present where the well met the criteria of 3.a above (i.e., did not comply with the requirements of 40 C.F.R. §§ 49.4165(c)(6)(v), 49.4166(g)(1) or 49.4167(a)(5)(ii)).
 - c) For each well listed in 3.a above that still meet the criteria of 3.a. above (i.e., still does not comply with the requirements of 40 C.F.R. §§ 49.4165(c)(6)(v), 49.4166(g)(1) or 49.4167(a)(5)(ii)), identify any planned changes for that well in regard to meeting the requirements of 40 C.F.R. §§ 49.4165(c)(6)(v), 49.4166(g)(1) or 49.4167(a)(5)(ii).
 - d) For each well listed in 3.a above, provide any documentation demonstrating that Kodiak performed adequate daily operator checks to ensure proper operation of each enclosed combustor, utility flare, continuous burning pilot flame, and electronically controlled automatic igniter.
4. Regarding 40 C.F.R. § 49.4165(d)(1), Kodiak’s annual report stated that, “Kodiak did not have written operating instructions, operating procedures and maintenance schedules for pit flares in-place during the reporting period.” Please provide the following information:
 - a) Provide a list of all well sites where a pit flare was used to comply with the FBIR FIP and there were no written operating instructions, operating procedures and/or maintenance schedules in place to ensure good air pollution control practices for minimizing emissions from the pit flare based on the site-specific design. The list shall include, in addition to the information outlined under 4.b and 4.c below, the well name, the well location, the date of first production from the well, and the

specific provisions of the FBIR FIP for which the pit flare was used for compliance.

- b) For each well listed in 4.a above, identify the time period from November 13, 2012 to present where the well site met the criteria of 4.a above (i.e., did not comply with one or more of the requirements of 40 C.F.R. § 49.4165(d)(1)).
 - c) For each well listed in 4.a above that still meets the criteria of 4.a. above (i.e., still does not comply with one or more of the requirements of 40 C.F.R. § 49.4165(d)(1)), identify any planned changes for that well in regard to meeting the requirement of 40 C.F.R. § 49.4165(d)(1).
5. Regarding 40 C.F.R. § 49.4165(d)(2)(ii), Kodiak's annual report stated that "there were facilities that experienced more than 500 hours of pit flare operation." Please provide the following information:
- a) Provide a list of all well sites where the a pit flare was used greater than 500 hours during any 12-month period from August 3, 2012 to present to control produced natural gas and natural gas emissions that were intended to be recovered for pipeline injection. The list shall include, in addition to the information outlined under 5.b and 5.c below, the well name, the well location, and the date of first production from the well
 - b) For each well listed in 5.a above, identify each 12-month periods from August 3, 2012 to present where the well met the criteria of 5.a above (i.e., did not comply with the requirements of 40 C.F.R. § 49.4165(d)(2)(ii)). For each well identified in 5.b, include the number of hours during each identified period that the pit flare was used to control produced natural gas and natural gas emissions that were intended to be recovered for pipeline injection.
 - c) For each well listed in 5.a above that still meets the criteria of 5.a. above (i.e., still does not comply with the requirements of 40 C.F.R. § 49.4165(d)(2)(ii)), identify any planned changes for that well in regard to meeting the requirement of 40 C.F.R. § 49.4165(d)(2)(ii).
6. Regarding 40 C.F.R. § 49.4165(d)(3)(v), Kodiak's annual report stated, "[v]isual observations could not reasonably be made at all times produced natural gas or natural gas emissions were being routed to the pit flare." Please provide the following information:
- a) For the period from November 13, 2012 to present, provide a list of all well sites where a pit flare was used to control produced natural gas or natural gas emissions and visual inspections were not conducted for the presence of a flame. The list shall include, in addition to the information outlined under 6.b below, the well name, the well location, and the date of first production from the well.

- b) For each well listed in 6.a above, for the period from November 13, 2012 to present identify all known instances where a pit flare was used to control produced natural gas or natural gas emissions and there was no visual inspection done for the presence of a flame.
- 7. Regarding 40 C.F.R. §§ 49.4166(e) and 49.4167(a)(8), Kodiak's annual report stated, "[h]istorical documentation of the visual inspection of tank thief hatches, covers, seals and PRVs and repairs is not available for the reporting period." Please provide the following information:
 - a) For the period from November 13, 2012 to present, provide a list of all well sites subject to the FBIR FIP where any required quarterly visual inspection of tank thief hatches, covers, seals and PRVs while produced oil and produced water storage tanks are being filled was not performed and/or was not documented. The list shall include, in addition to the information outlined under 7.b below, the well name, the well location, and the date of first production from the well.
 - b) For each well listed in 7.a above, identify each quarter from November 13, 2012 to present where the required quarterly visual inspection of tank thief hatches, covers, seals and PRVs while produced oil and produced water storage tanks are being filled was not conducted, and/or was not documented or no documentation exists. For each quarter identified, indicate which requirement (monitoring or recordkeeping) was not met.
- 8. Regarding 40 C.F.R. §§ 49.4166(f) and 49.4167(a)(8), Kodiak's annual report stated, "[d]ocumented values of peak pressure and vacuum values were not obtained during the reporting interval." Please provide the following information:
 - a) For the period from November 13, 2012 to present, provide a list of all well sites subject to the FBIR FIP where any required quarterly visual inspection of peak pressure and vacuum values in each closed vent system and control system for the produced oil and produced water tanks, while produced oil and produced water storage tanks are being filled, was not performed and/or was not documented. The list shall include, in addition to the information outlined under 8.b below, the well name, the well location, and the date of first production from the well.
 - b) For each well listed in 8.a above, identify each quarter from November 13, 2012 to present where the required quarterly visual inspection of peak pressure and vacuum values in each closed vent system and control system for the produced oil and produced water tanks, while produced oil and produced water storage tanks are being filled, was not conducted, and/or was not documented or no documentation exists. For each quarter identified, indicate which requirement (monitoring or recordkeeping) was not met.

9. Regarding 40 C.F.R. §§ 49.4166(g)(2) and 49.4167(a)(5)(ii), Kodiak's annual report stated that physical inspections of all equipment associated with each utility (engineered) flare and pit flare to ensure system integrity was performed, but that, "[t]hese inspections were not documented and data was not recorded during the reporting period." Please provide the following information:
- a) For the period from November 13, 2012 to present, provide a list of all well sites subject to the FBIR FIP where any required physical inspection of all equipment associated with each enclosed combustor, utility flare or pit flare to ensure system integrity was not performed and/or documented each time an operator was on site, at a minimum quarterly. The list shall include, in addition to the information outlined under 9.b below, the well name, the well location, and the date of first production from the well.
 - b) For each well listed in 9.a above, identify each quarter from November 13, 2012 to present where the minimum required physical inspection of all equipment associated with each enclosed combustor, utility flare or pit flare to ensure system integrity was not performed, and/or was not documented or no documentation exists. For each quarter identified, indicate which requirement (monitoring or recordkeeping) was not met.
10. Regarding 40 C.F.R. §§ 49.4166(g)(3) and 49.4167(a)(5)(ii), Kodiak's annual report stated, "operators performed undocumented checks to see if flares were smoking during routine operational visits." Please provide the following information:
- a) For the period from November 13, 2012 to present, provide a list of all well sites subject to the FBIR FIP where any required visual monitoring for visible smoke of any operating enclosed combustor, utility flare or pit flare was not performed each time an operator was on site, at a minimum quarterly, and/or was not documented. The list shall include, in addition to the information outlined under 10.b below, well name, well location, and date of first production from the well.
 - b) For each well listed in 10.a above, identify each quarter from November 13, 2012 to present where the minimum required visual monitoring for visible smoke of any operating enclosed combustor, utility flare or pit flare was not performed, and/or was not documented or no documentation exists. For each quarter identified, indicate which requirement (monitoring or recordkeeping) was not met.

ENCLOSURE 3

STATEMENT OF CERTIFICATION

I certify under penalty of law that I have personally examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine or imprisonment.

(Signature)

(Title)

(Date)

ENCLOSURE 4

Confidential Business Information (CBI) Assertion and Substantiation Requirements

You may assert a business confidentiality claim covering all or part of the information you provide in response to this information request for any business information entitled to confidential treatment under section 114(c) of the Clean Air Act (the Act), 42 U.S.C. § 7414, and 40 C.F.R. Part 2, subpart B. Under section 114(c) of the Act, you are entitled to confidential treatment of information that would divulge methods or processes entitled to protection as trade secrets. Under 40 C.F.R. Part 2, subpart B, business confidentiality means “the concept of trade secrecy and other related legal concepts which give (or may give) a business the right to preserve the confidentiality of business information and to limit its use or disclosure by others in order that the business may obtain or retain business advantages it derives from its rights in the information.” See 40 C.F.R. § 2.201(e).

Information covered by a claim of business confidentiality will be disclosed by the EPA only to the extent, and by means of the procedures, set forth in section 114(c) of the Act and 40 C.F.R. Part 2, subpart B. If you fail to furnish a business confidentiality claim with your response to this information request, the EPA will construe your failure as a waiver of that claim, and the information may be made available to the public without further notice to you.

To assert a business confidentiality claim, you must place on (or attach to) all information you desire to assert as business confidential either a cover sheet, stamped or typed legend, or other suitable form of notice employing language such as “trade secret,” “proprietary,” or “company confidential” at the time you submit your response to this information request. Allegedly confidential portions of otherwise non-confidential documents should be clearly identified, and may be submitted separately to facilitate identification and handling by the EPA. You should indicate if you desire confidential treatment only until a certain date or until the occurrence of a certain event.

The criteria the EPA will use in determining whether material you claim as business confidential is entitled to confidential treatment are set forth at 40 C.F.R. §§ 2.208 and 2.301. These regulations provide, among other things, that you must satisfactorily show that: (1) the information is within the scope of business confidentiality as defined at 40 C.F.R. § 2.201(e); (2) that you have taken reasonable measures to protect the confidentiality of the information and that you intend to continue to do so; (3) the information is not and has not been reasonably obtainable by legitimate means without your consent; and (4) the disclosure of the information is likely to cause substantial harm to your business’s competitive position. See 40 C.F.R. § 2.208 (a)-(d). Emission data, as defined at 40 C.F.R. § 2.301(a)(2), is expressly not entitled to confidential treatment under 40 C.F.R. Part 2, subpart B. See 42 U.S.C. § 7414(c); 40 C.F.R. § 2.301(e).

If you assert a claim of business confidentiality in connection with information and documents forwarded in response to this request for information, in accordance with 40 C.F.R. § 2.204(e)(4), the EPA is requesting that you answer the following questions with respect to any information or document for which you assert a claim of business confidentiality:

1. What specific portions of the information are alleged to be entitled to confidential treatment? Specify by page, paragraph, and sentence when identifying the information subject to your claim.
2. For what period of time do you request that the information be maintained as confidential, e.g., until a certain date, until the occurrence of a specified event, or permanently? If the occurrence of a specific event will eliminate the need for confidentiality, specify that event. Additionally, explain why the information should be protected for the time period you've specified.
3. What measures have you taken to protect the information claimed as confidential from undesired disclosure? Have you disclosed the information to anyone other than a governmental body or someone who is bound by an agreement not to disclose the information further? If so, why should the information still be considered confidential?
4. Is the information contained in any publicly available material such as the Internet, publicly available databases, promotional publications, annual reports, or articles? Is there any means by which a member of the public could obtain access to the information? Is the information of a kind that you would customarily not release to the public?
5. Has any governmental body made a determination as to the confidentiality of the information? If so, please attach a copy of the determination.
6. For each category of information claimed as confidential, explain with specificity whether disclosure of the information is likely to result in substantial harm to your competitive position. Explain the specific nature of those harmful effects, why they should be viewed as substantial, and the causal relationship between disclosure and such harmful effects. How could your competitors make use of this information to your detriment?
7. Is there any other explanation you deem relevant to the EPA's determination of your business confidentiality claim that is not covered in the preceding questions? If so, you may provide such additional explanation.

Submit your answers to the above questions concurrently with your response to this information request if you have claimed any information as business confidential.

See 40 C.F.R. § 2.204(e)(2). Pursuant to 40 C.F.R. § 2.205(b)(2), you may request an extension of this deadline. The EPA will construe your failure to furnish timely comments as a waiver of your confidentiality claim, consistent with 40 C.F.R. § 2.204(e)(1). Please submit your comments to:

Sheldon Muller
U.S. EPA Region 8
1595 Wynkoop Street (ENF-L)
Denver, CO 80202-1129
(303) 312-6916

Pursuant to 40 C.F.R. § 2.205(c), you are hereby advised that information you submit as part of your comments may be regarded by the EPA as entitled to confidential treatment if, when it is received by the EPA, it is marked in accordance with 40 C.F.R. § 2.203(b). As required by 40 C.F.R. § 2.204(e)(6), you may assert a business confidentiality claim covering all or part of your response to these questions, as provided in 40 C.F.R. § 2.203(b). Information covered by such a claim will be disclosed by the EPA only to the extent, and by means of the procedures, set forth in Section 114(c) of the Clean Air Act (the Act) and 40 C.F.R. Part 2. The EPA will construe the failure to furnish a confidentiality claim with your comments as a waiver of that claim, and the information may be made available to the public without further notice to you.